

# Columbia Regional Airport

## Market Update & Opportunities Review



UNITED 

April 2012

Prepared with the  
assistance of

  
INTERNATIONAL  
Aviation Forecasting & Strategic Solutions

# COU Market Area

## COU Primary Service Area

One Hour Drive Time



- Population of approximately 400,000 within one hour drive time to the airport and over 500,000 within 1.25 hours
- University of Missouri, the largest university in the state with 34,000 full time students, is located in Columbia; Chicago is largest source of out-of-state MU students (10% of freshman class)
- Lambert International is approximately 2 hours from COU and Kansas City International is 2.5 hours from COU

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# Strong and Diverse Economic Base

Top Regional Employers	Employees
University of Missouri (MU)	8,608
University Hospital & Clinics	4,468
Columbia Public Schools	2,117
Boone Hospital Center	1,655
City of Columbia	1,332
US Department of Veterans Affairs	1,278
MBS Textbook Exchange	1,239
Shelter Insurance Companies	1,078
State Farm Insurance Companies	1,063
Hubbell Power Systems, Inc	758
Joe Machens Dealerships	630
Veterans United Home Loans	571
State of Missouri (excludes MU)	547
Kraft Foods Columbia	516
Columbia College	484
ABC Laboratories, Inc.	361
Boone County Government	350
Boyce and Bynum Pathology Laboratories, P.C.	349
Schneider Electric: Square D	309
US Postal Service	293
CenturyLink	264
MidwayUSA	262
US Department of Agriculture	258
Boone County National Bank	251
Pepsico (Frito-Lay/Quaker Oats)	240
Woodhaven	227
OTSCON	217
3M	216
MFA, Inc.	215
Missouri Employers Mutual Insurance	201

Source: [www.columbiaredi.com](http://www.columbiaredi.com)

- Columbia economy based in education, healthcare, insurance, and government employment
- Forbes listed Columbia as 5th "Best Small Metro for Business and Careers" in 2009
- In 2009, Columbia was featured on a CNBC news special which focused on cities that were thriving during the deep economic recession in the US
- 66,000 students within a 50-mile radius including University of Missouri, Columbia College and Stephens College



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# University of Missouri

- 2011 enrollment is 33,805 with 1,943 international students (115 countries)
- 15,467 faculty and staff members plus 4,768 with MU Health Care
- FY 2012 MU budget is \$2 billion
- FY 2010, MU expenditures for research and related at \$434.8 million
- MU initiating a program to host meetings for 30,000 people/year
- Last year 1,200 MU students participated in study-abroad programs in 58 countries



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# Travel Time/Cost Comparison

**COU is significantly more convenient  
for catchment area passengers**



One-way from Columbia	MCI	STL	COU	One-way savings
Driving distance (miles)	149	112	14	98 - 135 miles
Drive time (hours)	2.2	1.7	0.2	1.5 – 2 hours
LT parking per day	\$6	\$9	\$0	\$6 - \$9 /day
Drive cost @ 55.5¢/mile	\$83	\$62	\$8	\$54 - \$75

- Columbia-Jefferson City estimated time for drive, park, check-in, & security is less than 90 minutes compared to 3 hours or more at St. Louis and Kansas City
- Business passengers value the shorter travel time over lower airfares
- MO-X operates door-to-door shuttle service to STL and MCI for \$106 RT; \$85 from their station; current schedule includes 12 daily trips to STL and 5 to MCI
- MO-X reported 75,000 passengers in 2008



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# Scheduled Service Pattern

## Year-Over-Year Capacity Comparison

CY 2012 vs CY 2011

Carrier	Dest	Departures				Seats			
		2011	2012	Change	%	2011	2012	Change	% Change
Delta		1,008	972	(36)	-3.6%	50,400	48,600	(1,800)	-3.6%
	ATL	-	207	207	0.0%	-	10,350	10,350	-
	MEM	1,008	765	(243)	-24.1%	50,400	38,250	(12,150)	-24.1%
<b>Total</b>		<b>1,008</b>	<b>972</b>	<b>(36)</b>	<b>-3.6%</b>	<b>50,400</b>	<b>48,600</b>	<b>(1,800)</b>	<b>-3.6%</b>

SOURCE: Innovata, LLC via  Aviation DataMiner

- All operations at COU are flown by Delta with 50 seat regional jets
- While 2012 has 3.6% fewer scheduled departures than 2011, Delta has added ATL as a connecting hub in addition to the MEM service
- COU suffers from a lack of efficient westbound and northeast connectivity, and United's ORD hub would be an excellent option

## COU Service Pattern

CY 2012



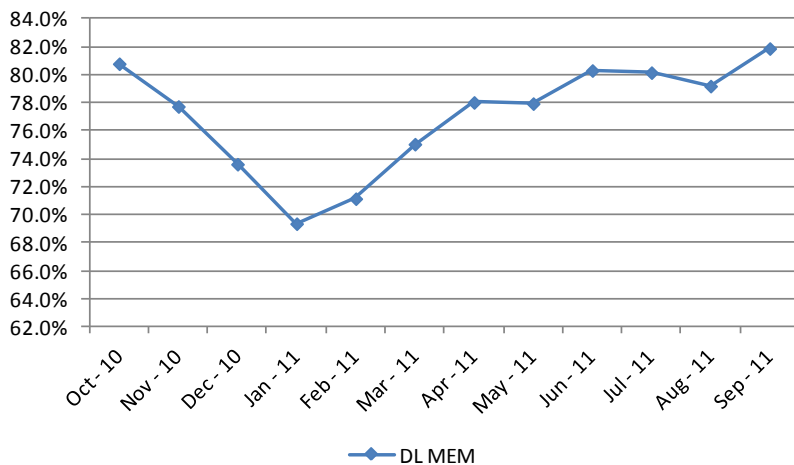
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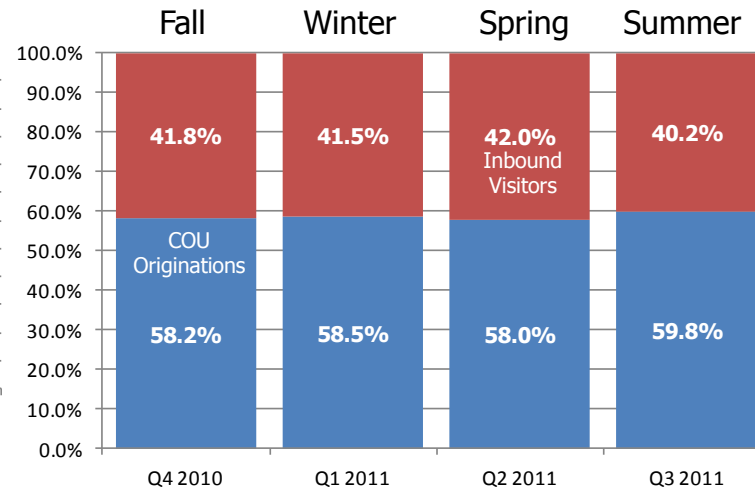
# COU Key Performance Metrics

## Delta Load Factor Performance

Oct 2010 – Sep 2011



## COU Origination Rates



## COU Operational Performance

YE Q3 2011

Airline Share at COU								
Carrier	Psg	PDEW	% Psg	% Originating @ COU	Net OW Fare	Net Rev.	Ticket Yield	Routing Efficiency
Delta	74,620	102.2	100.0%	58.5%	\$190.40	\$13,924,672	19.74¢	77.5%
<b>Total</b>	<b>74,620</b>	<b>102.2</b>	<b>100.0%</b>	<b>58.5%</b>	<b>\$190.40</b>	<b>\$13,924,672</b>	<b>19.74¢</b>	<b>77.5%</b>

- Average load factor of 77.3% for Delta's COU-MEM nonstops as of YE Q3 2011; COU-ORD would likely perform better due to a strong community of interest between Columbia and Chicago
- Very consistent origination rates in all four seasons – approximately 58 - 60% COU originations in all four quarters



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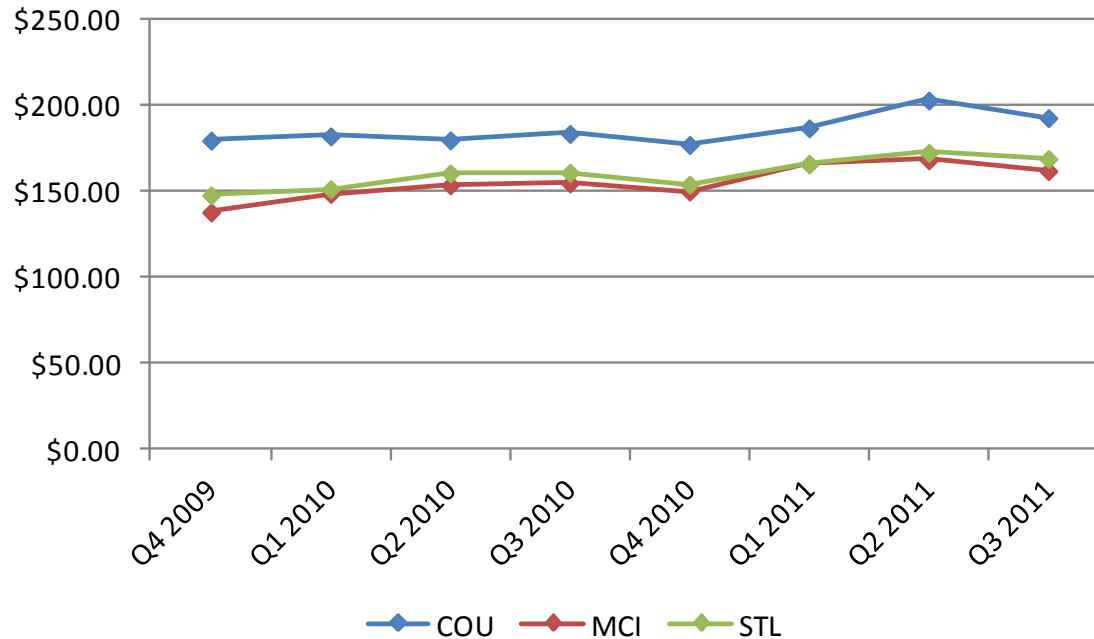
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# COU Fare Premium vs. MCI and STL

## Average One Way Net Fare Comparison

Two Year Trend: Q4 2009 – Q3 2010



- COU has strong average one way net fares compared to MCI and STL
- COU is approximately \$25-30 higher than both airports for the period Q4 2009 – Q3 2011



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# United Opportunity: ORD

## COU Domestic Markets Accessible via ORD on United's Route Network YE Q3 2011

Rank	Market	P sgr	PDEW	Net OW Fare	Net Rev.
1	MEM	4,865	6.7	\$110.60	\$520,196
2	ATL	3,252	4.5	\$182.50	\$573,058
3	Dallas	3,210	4.4	\$160.63	\$507,259
4	BWI	2,747	3.8	\$173.69	\$473,556
5	DCA	2,632	3.6	\$269.12	\$702,592
6	MCO	2,616	3.6	\$169.54	\$434,640
7	TPA	2,473	3.4	\$161.83	\$393,523
8	BOS	2,022	2.8	\$199.69	\$399,512
9	RDU	1,960	2.7	\$146.28	\$271,803
10	DTW	1,822	2.5	\$162.11	\$295,289
11	LGA	1,800	2.5	\$200.29	\$350,563
12	MSY	1,717	2.4	\$174.02	\$295,170
13	CLT	1,675	2.3	\$140.85	\$230,268
14	LAX	1,673	2.3	\$306.82	\$501,139
15	PHX	1,474	2.0	\$192.94	\$280,279
16	SAT	1,455	2.0	\$209.00	\$295,502
17	JAX	1,436	2.0	\$177.31	\$254,609
18	AUS	1,376	1.9	\$207.56	\$281,316
19	FLL	1,375	1.9	\$156.58	\$215,352
20	IAH	1,361	1.9	\$212.92	\$281,315
21	BNA	1,320	1.8	\$168.36	\$222,277
22	PHL	1,313	1.8	\$160.11	\$206,951
23	TYS	1,054	1.4	\$226.79	\$234,543
24	PIT	1,002	1.4	\$150.54	\$147,869
25	BHM	965	1.3	\$154.03	\$142,409
26	LAS	959	1.3	\$199.01	\$186,858
27	CMH	953	1.3	\$143.42	\$136,694
28	MSP	912	1.2	\$168.32	\$146,613
29	ORD	905	1.2	\$171.78	\$153,671
30	CLE	862	1.2	\$163.18	\$137,250
31	DEN	849	1.2	\$187.00	\$158,681

Rank	Market	P sgr	PDEW	Net OW Fare	Net Rev.
32	PNS	840	1.2	\$169.91	\$135,979
35	IND	699	1.0	\$201.44	\$132,728
36	EWR	692	0.9	\$205.01	\$135,768
37	CVG	645	0.9	\$184.42	\$115,220
38	MIA	642	0.9	\$205.24	\$131,688
40	SDF	561	0.8	\$183.37	\$98,879
41	SEA	528	0.7	\$372.72	\$196,822
42	SLC	512	0.7	\$300.28	\$144,461
43	OKC	503	0.7	\$189.19	\$95,137
44	HSV	446	0.6	\$199.57	\$89,043
45	LIT	427	0.6	\$131.79	\$56,266
46	RSW	410	0.6	\$137.83	\$56,510
50	RIC	355	0.5	\$263.87	\$93,634
51	SAV	345	0.5	\$198.36	\$64,482
52	BDL	343	0.5	\$182.55	\$62,597
56	SAN	304	0.4	\$241.45	\$73,467
57	CHS	299	0.4	\$155.13	\$46,314
58	LEX	295	0.4	\$213.68	\$58,592
60	PBI	254	0.3	\$219.49	\$51,381
61	GSP	247	0.3	\$178.30	\$44,106
62	ORF	229	0.3	\$316.07	\$72,390
63	SFO	223	0.3	\$281.67	\$62,848
66	PDX	196	0.3	\$196.51	\$34,651
67	GRR	186	0.3	\$207.60	\$38,714
68	PWM	178	0.2	\$272.91	\$43,254
69	HNL	156	0.2	\$405.95	\$63,247
70	SMF	156	0.2	\$251.77	\$39,161
71	AVL	146	0.2	\$207.43	\$28,077
72	GSO	144	0.2	\$124.56	\$15,468
74	ALB	134	0.2	\$214.36	\$28,768

Rank	Market	P sgr	PDEW	Net OW Fare	Net Rev.
75	CAE	133	0.2	\$253.27	\$33,696
80	SYR	105	0.1	\$316.54	\$33,363
81	ROC	104	0.1	\$258.40	\$26,776
82	BUF	103	0.1	\$200.14	\$20,527
84	PVD	94	0.1	\$361.58	\$33,910
85	MHT	90	0.1	\$272.22	\$24,614
88	SNA	84	0.1	\$195.69	\$16,342
89	SRQ	83	0.1	\$276.99	\$23,076
90	CAK	83	0.1	\$169.53	\$14,122
91	IAD	82	0.1	\$198.27	\$16,220
92	BIS	81	0.1	\$246.16	\$20,053
94	FAR	81	0.1	\$383.94	\$31,148
96	CRW	81	0.1	\$175.98	\$14,188
99	ANC	71	0.1	\$409.46	\$20,967
101	BOI	63	0.1	\$353.68	\$22,444
104	HPN	62	0.1	\$171.00	\$10,568
105	MBS	61	0.1	\$123.40	\$7,550
106	GEG	61	0.1	\$258.89	\$15,762
107	MDT	60	0.1	\$331.89	\$13,316
109	BTW	52	0.1	\$339.70	\$17,774
110	TVC	52	0.1	\$256.72	\$13,409
111	MSO	51	0.1	\$381.31	\$19,520
115	MYR	41	0.1	\$202.65	\$8,331
116	ELP	41	0.1	\$526.29	\$21,528
128	SJU	30	0.0	\$717.78	\$21,675
135	STT	21	0.0	\$286.42	\$6,047
136	LAN	21	0.0	\$279.35	\$5,879
138	ATW	21	0.0	\$149.53	\$3,098
145	DLH	20	0.0	\$385.40	\$7,708
<b>Total</b>		<b>67,065</b>	<b>91.9</b>	<b>\$182.87</b>	<b>\$12,264,020</b>



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- COU-ORD stage length of 315 miles is well suited for a 50 seat regional jet
- United's ORD hub has connectivity to all of the current top 30 O&D markets and over 90% of all markets; Simply put, ORD has much greater connectivity than MEM

# COU International Traffic

## COU International Traffic Accessible via ORD on United's Route Network

YE Q3 2011

- International traffic would likely be stimulated by the presence of a major connecting hub such as ORD
- The University of Missouri had 1,943 international students enrolled in the Fall 2011
  - China: 896 students
  - Korea: 208 students
  - India: 195 students

COU International Market O&D						
Rank	Market	City	Country	P sgr	P DEW	% Originating @ COU
1	AMS	Amsterdam	Netherlands	304	0.42	73.3%
3	YYZ	Toronto	Canada	94	0.13	77.7%
5	YUL	Montreal	Canada	72	0.10	72.3%
6	CDG	Paris	France	62	0.08	65.7%
10	LHR	London	United Kingdom	44	0.06	77.1%
11	BRU	Brussels	Belgium	42	0.06	50.0%
13	GRU	Sao Paulo	Brazil	41	0.06	51.4%
14	FRA	Frankfurt	Germany	41	0.06	50.8%
15	NRT	Tokyo	Japan	40	0.05	24.9%
22	PVG	Shanghai	China	32	0.04	66.5%
34	YYC	Calgary	Canada	21	0.03	100.0%
40	HKG	Hong Kong	China	20	0.03	100.0%
46	YVR	Vancouver	Canada	20	0.03	100.0%
56	YHZ	Halifax	Canada	20	0.03	0.0%
59	MUC	Munich	Germany	20	0.03	100.0%
<b>Total</b>				<b>873</b>	<b>1.20</b>	<b>64.6%</b>



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# COU Facilities and Services



## Runway

- Primary: 6,501 x 150 feet
- Crosswind: 4,401 x 75 feet
- No operational restrictions
- Full ILS precision approach

## Terminal

- 5,400 square-foot terminal building
- Ticket counter space available
- 780 free vehicle parking spaces
- Hertz and Enterprise on-site
- Taxi and hotel shuttle service
- Deicing and other Ground Services
  - Central Missouri Aviation



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# Revenue Guarantee and Incentives

The City of Columbia and the University of Missouri are committed to making this service successful and offer the following:

- A \$3 million revenue guarantee over a two-year period for service started in 2012
- \$200,000 will be donated to market the United service in Columbia, Jefferson City and Central Missouri
- \$45,000 will be spent annually to market Columbia Regional Airport



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